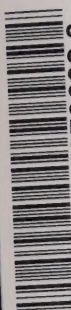


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Canada. Senate. Standing Committee on
Banking and Commerce.

Canadian Association of Broadcasters
Brief, 1971

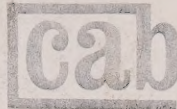
TORONTO BRANCH

42 RICHMOND ST. E., SUITE 347, TORONTO 210, ONT.
(416) 366-9567, TELEX 022-1543

BUREAU DE MONTREAL

1454 DE LA MONTAGNE, SUITE 400, MONTREAL 107, QUEBEC
(514) 849-9351, TELEX 012-0062

**THE CANADIAN ASSOCIATION
OF BROADCASTERS**



**L'ASSOCIATION CANADIENNE
DES RADIODIFFUSEURS**

HEAD OFFICE: 85 SPARKS ST., SUITE 909 (BOX 627, STN. B) OTTAWA 4, CANADA — TELEPHONE (613) 233-4035, TELEX 013-433

GENERAL NEWSLETTER

CAI
YCII
71A72

71/MS-74

Ottawa, April 29, 1971

ATTACHED FOURTH AND SUGGESTED FINAL ROUGH DRAFT OF
SUGGESTED BRIEF TO SENATE COMMITTEE ON BANKING AND
COMMERCE ON BILL S-9: FURTHER TO 71/MS-73, WHICH PLEASE SEE

To save time and simplify matters, we make reference herewith only to suggested changes and these refer to the third rough draft referred to above. Modifications suggested thereto are as follows:

1. Page 1, Paragraph (b), lines 3 and 4 - The phrase "such as a book, a painting or a song", to be placed within brackets.
2. Page 9, Subhead "F" - Delete last five lines and substitute following: "The position of RCA Victor Record Division is ambiguous. See material attached as Appendix "B".
3. Other than the changes rendered necessary in Appendix "B", no changes have been suggested or contemplated in the Appendixes and, therefore, copies of these are not appended.

Since we must file by May 5 and translation is a complicated process in these matters, we should appreciate any comments you may have to make, just as quickly as possible.

The Canadian Association of Broadcasters

L'Association canadienne des radiodiffuseurs

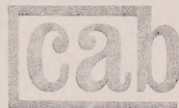
Can. Parliament
Senate - Standing Committee
on Banking and Commerce
Brief



TORONTO BRANCH
12 RICHMOND ST. E., SUITE 347, TORONTO 210, ONT.
(416) 366-9567, TELEX 022-1543

BUREAU DE MONTREAL
1454 DE LA MONTAGNE, SUITE 400, MONTREAL 107, QUE.
(514) 849-9351, TELEX 012-0062

**THE CANADIAN ASSOCIATION
OF BROADCASTERS**



**L'ASSOCIATION CANADIENNE
DES RADIODIFFUSEURS**

HEAD OFFICE: 85 SPARKS ST., SUITE 909 (BOX 627, STN. B) OTTAWA 4, CANADA — TELEPHONE (613) 233-4035, TELEX 013-433

GENERAL NEWSLETTER

71/MS-73

Ottawa, April 27, 1971

ATTACHED THIRD ROUGH DRAFT OF SUGGESTED BRIEF TO SENATE
COMMITTEE ON BANKING AND COMMERCE ON BILL S-9

1. Attached is for your careful consideration. Your detailed comments would be appreciated.
2. We are supposed to file forty copies of this in both official languages not later than May 5, 1971.

The Canadian Association of
Broadcasters
l'Association canadienne des
radiodiffuseurs

A. GENERAL

The very word "copyright" has become ambiguous, even misleading for these reasons:

(a) Canadian legislation pertaining to "copyright" has not been substantially changed from the wording of the Imperial Act of 1911. That statute could not have foreseen the widespread development of radio and television broadcasting; the motion picture; or modern methods of producing mechanical reproductions; let alone other developing technology.

(b) Originally, "copyright" obviously had a very simple purpose. It was to ensure that an individual whose intellect or emotions produced an original "work" - such as a book, a painting or a song - had some form of legally enforceable right preventing others from copying his work without his authorization; or passing it off as their own; or gaining financial benefit from it without reference to, or benefit to, the original creator.

(c) In the intervening years, the legally enforceable right thus created has been extended to cover a variety of activities.

To those who live daily with the ramifications of the copyright jungle, the temptation to enter into a general discussion of this field is great. We shall attempt to avoid

that temptation here and confine our comments exclusively and directly to Bill S-9.

B. PURPOSE OF BILL S-9

In our submission, the purposes of Bill S-9 are simple and desirable. These are:

(a) To begin long-needed simplification and clarification of the hopeless ambiguities, conflicts and confusions caused by existing copyright legislation.

(b) To prevent further substantial drain of Canadian funds abroad.


(c) To give effect to recommendations of the Ilsley Commission and the Economic Council.

C. FUNDAMENTAL PURPOSES OF COPYRIGHT

We believe that legislation should make it clear there is a legal and enforceable right which protects the creator of any original work, be this a song, a book, a speech, a letter or any other form of an original expression of intellectual or emotional ability.

Within that context we believe that copyright should extend to what is at various times called public performance or performance in public; phrases which in practice the law has sometimes treated as if they had the same meaning and at other times as if they had different meanings.

To be as clear as possible we believe that when radio or television broadcasting stations re-use a song or play or



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University of Toronto

<https://archive.org/details/31761119736023>

like intellectual work of originality, the creator thereof should continue to be rewarded.

For purposes of convenience, authors and composers of original music works have banded themselves together into two major societies. These are known in Canada as CAPAC and BMI Canada Limited.

It would not be entirely fair to describe these Associations merely as collection agencies; but that is the basic function they perform on behalf of their members.

The law in Canada requires that these Associations file with the Minister and the Copyright Appeal Board, on or before November 1 of any year, a statement of the fees, charges and royalties it is proposed to collect from the various users of music in the next ensuing calendar year.

The "privately owned" radio broadcasting stations in 1971 pay copyright fees of 1.85% of gross revenue to CAPAC and .90% to BMI Canada Limited. Privately owned television broadcasting stations in Canada now pay copyright fees of 1.50% of gross revenue to CAPAC, .75% to BMI Canada Limited.

It will be noted, therefore, that in total privately owned radio broadcasting stations already pay 2.75% of gross revenue to the copyright societies; privately owned television broadcasting stations 2.25%.

It should also be noted that these amounts are payable from gross income, regardless of station's financial position; and regardless of amount of music used.

The same is true of the Canadian Broadcasting Corporation which now pays CAPAC 4.24 cents per capita and BMI Canada Limited 1.21 cents per capita for a total of 5.45 cents per capita.

The latest DBS information available to us relative to private station income is for the period ending August 31, 1969.

During the twelve months ending on that date, the privately owned broadcasting stations paid the two copyright societies a total of \$4,558,280 (See Appendix "D").

We estimate that for the same period payments by the Canadian Broadcasting Corporation to both societies was \$1,082,000.

As nearly as we can estimate, somewhere between 75 and 80% of these dollars must be exported out of Canada; and we make that report in no spirit of adverse criticism of CAPAC or BMI Canada Limited. It is no one's fault that, thus far, the majority of authors and composers live in countries which have much larger populations than Canada and very much longer established cultural traditions.

It must be borne in mind at this point that because Canada is a member of certain international conventions, term of copyright in musical works extends for lifetime of author or last surviving co-author plus 50 years. This works greatly to the advantage of the longer established countries.

There is a second point we should like to make clear. Copyright "works"; that is to say the songs, or speeches, or plays, are in today's world frequently encapsulated within some form of mechanical reproduction such as a tape, a film, or various forms of records, in order to give them wider distribution.

We believe that those engaged in the business of encapsulating the "work" within the mechanical reproduction should have a clearly identifiable legal right which prevents the unauthorized copying of that mechanical reproduction in toto.

We do not believe that those who perform the simple mechanical function of transferring a copyright work into a mechanical reproduction should also have copyright protection in the area of the public performing right or the right to perform in public, as do authors and composers, in addition to the right that protects them against "piracy" of their mechanical reproduction.

Bill S-9 makes it clear that those whose sole function is to transfer the copyright work of an author or composer into a mechanical reproduction shall continue to have the right to prevent unauthorized copying of that mechanical reproduction, but not a public performing right in addition.

This Bill addresses itself solely to section 4 (3) of the Copyright Act which reads: "Copyright shall subsist for the term hereinafter mentioned in records, perforated rolls and other contrivances by means of which sounds may be mechanically reproduced in like manner as if such contrivances

were musical, literary or dramatic works".

It is our submission that section 4 (3) was intended to protect those who cause copyright works to be encapsulated within mechanical reproductions against unauthorized copying of these and no more. Bill S-9 is intended to make that point perfectly clear.

The entire matter of Canadian copyright legislation was exhaustively studied by a Royal Commission under the Chairmanship of the Right Honourable J. L. Ilseley, then Chief Justice of the Supreme Court of Nova Scotia.

Its report (1957) on page 77 says this: "The act restricted by the copyright in a sound recording should be the making of a record embodying the recording. At the present time it would appear that an unauthorized public performance of a recording embodied in a record is an infringement of the copyright in the record. Probably the broadcasting of a recording embodied in the record is also an infringement. We recommend the abolition of a record manufacturers performing right and the broadcasting right in records or in the recording embodied in the record".

A more recent study has been completed by the Economic Council of Canada and its report entitled "Report on Intellectual and Industrial Property" is dated January, 1971.

On page 158 it says this: "It is presently stated in the Copyright Act that a particular sound recording as such has a 50 year protection against direct copying, just as

does a photograph. A major point at issue here is the associated performing right in such a recording whereby a record maker would have, like the writer of the words and music, a legal claim to collect a fee from public users of his product, above and beyond the original sale price of the recording. We continue to accept the concept of a performing right in the basic material because this is the only way in which a writer of such materials can get payment related to the use of his work in the market. The record maker on the other hand, in spite of many 'creative' inputs by his staff, is really in the business of selling a physical item such as a disc or tape and it is this activity that should reimburse him. To say that he merits an extra fee each time his physical unit is publicly used is rather like saying that a book publisher should be paid an extra amount each time the book is read. Some countries have been persuaded by arguments for such a performing right in a sound recording but we see no current shortage of recordings that would indicate inadequate incentives for their creation and justify what would be in effect a use fee on a physical good. Because the present Canadian law does allow a potential for such a right in sound recordings, we suggest it be removed. The same argument should apply to the developing video recordings."

D. THE PRESENT SITUATION

This matter ceased to be of purely academic interest in 1967 when the major record manufacturing companies banded together in a group known as Sound Recording Licences (SRL) Limited. This group puts forward a claim not only for protection

against unauthorized copying of their mechanical reproductions, a claim with which we agree, but for a public performing right.

Applications for tariffs made under the Copyright Act to the Minister were referred by the Minister to the Copyright Appeal Board in the fall of 1970. (An earlier application in 1968 had been withdrawn by SRL.) The Copyright Appeal Board began public hearings on those tariffs on March 3, 1971.

Whatever rights exist in the present legislation have been there since 1921. In the period between 1921 and 1967, it was never asserted by the record manufacturers that a public performing right existed in addition to the unquestioned right to prevent unauthorized copying.

We have no way of knowing what occasioned this changed situation.

It does not appear to have been caused by economic factors. Appendix "A" attached indicates that the number of recordings sold in Canada rose from 16,669,526 in 1960 to 41,277,077 in 1969. This is an increase of 147.61%. In the same period, the increase in overall retail sales was 64.33% (See Appendix "E").

E. RELATIONSHIP BETWEEN RECORD MANUFACTURERS AND BROADCASTING STATIONS

While we could at this point refer to evidence adduced before the 1971 Copyright Appeal Board hearings and other sources, it is clearly obvious on the face of it that the use by broadcasting stations of mechanical reproductions enhances sales potential of the recordings.

In their use of mechanical reproductions, broadcasting stations normally announce the title, name of principal performer and frequently the name of the record manufacturer or his label. It is only by hearing the mechanical reproduction, be it a record or a tape, that millions of Canadians may simultaneously become aware of its existence and their reaction to it.

Certainly, record manufacturers have throughout the years by letter, by frequent calls from their promotion departments, and other means, done everything legitimately in their power to encourage maximum use by broadcasting stations of their mechanical reproductions and as quickly as possible following their completion. It is virtually impossible for a mechanical reproduction to attain wide consumer acceptance unless it receives air play.

F. THE NATURE OF SOUND RECORDING LICENCES (SRL) LIMITED

Surprisingly the composition of this group has caused confusion. The name of Ampex Records appeared on the original list of "members" filed with the Copyright Appeal Board. We are in possession of a widely circulated form letter from Ampex of Canada Limited to the effect that it is not now and never has been a member of SRL. (Copy attached Appendix "A"). SRL continues to assert that RCA Victor Record Division is a member, although we are in possession of letters and telexes from officers of the company asserting that it had withdrawn its membership prior to the beginnings of the Copyright Appeal Board hearings. (Copies attached as Appendix "B").

In spite of that, it will be obvious at a glance that the major manufacturers and the companies responsible for the bulk of record production in Canada are owned abroad. Information adduced at the Copyright Appeal Board hearings indicated that only the foreign owned companies are shareholders in SRL.

Thus, the bulk of any funds paid to Sound Recording Licences (SRL) Limited would represent a further drain of Canadian dollars to foreign interests.

In this context it should be noted that even where the major recording manufacturers use a lead Canadian singer, manufacture of what may be referred to as the "master" recording frequently takes place abroad. It is much less expensive to produce "masters" in European countries than in Canada.

Thus we frequently have this situation: A Canadian singer travels to England or some other European country and some form of "master" (usually today a tape) is produced there. One copy of that tape is then sent to Canada and copies of it reproduced here for delivery to broadcasting stations and sale to the public.

In essence, therefore, the major record manufacturing companies operating in Canada are not even "branch plants" much less manufacturers. They might more properly be defined as wholesalers or distributors.

Very considerable evidence relative to these matters was adduced at the recent Copyright Appeal Board hearings. The techniques used today in the production of mechanical reproductions are so varied that we do not propose any attempt

to detail them here; although we are perfectly prepared to answer questions concerning these practices.

G. THE ECONOMIC POSITION OF THE BROADCASTING STATION

Since its inception broadcasting has been a chosen instrument of public policy for the extension of public policy objectives.

It is declared in the existing Broadcasting Act that the Canadian broadcasting system is charged with the basic responsibilities, amongst others, of being responsible for the objective defined as "to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada".

These public policy objectives of paramount importance cannot be discharged by an economically unhealthy industry.

Analysis of the information filed by privately owned broadcasting stations with the CRTC and DBS for the period ending August 31, 1969, is this:

"RADIO" (247 stations) comprising 78% of the private radio industry in 1969:

- Earned an average profit before taxes of \$6,197, down 9% from previous year;
- Operated on a before tax profit margin of 4.3% (of revenue);
- Paid salaries, benefits, talent and music fees of more than 22.6 million dollars (22,632,615);
- These payments to people, in excess of 52% of total revenue, don't include payment for news services, network service, professional fees or program rights.

The other 22% of the private radio stations reported average profit before taxes of 182,085; an increase of 18% from previous year.

- Paid salaries, benefits, talent and music fees of almost 25 million dollars (24,847,642).

Total payments by private radio for salaries, talent and music fees amounted to \$47,480,257.

16% of the private TV industry (11 stations) reported profit before taxes of less than \$4,800 (4,718).

39% of the private TV stations (26) showed average profit before taxes of \$16,429. This works out to a profit of 5.8% of total revenue, before taxes including income not associated with broadcasting. Total salaries, benefits and talent fees were nearly 2.7 million dollars (36.6% of total revenue).

At the other end of the scale 25% of the TV industry (17 stations) reported an average profit before taxes of \$1,044,780.

The middle group of 24 TV stations (36% of the industry) earned an average of \$155,817.

Salaries, benefits and talent fees for this group averaged 34.4% of total revenue.

TOTAL SALARIES AND WAGES AND TALENT FEES FOR THE PRIVATE TV INDUSTRY AMOUNTED TO 33.3 MILLION DOLLARS.

TOTAL PROPERTY, PLANT AND EQUIPMENT FOR THE TV INDUSTRY WAS AT \$96,873,000. OF THAT TOTAL NEARLY 71 MILLION DOLLARS IS INVESTED IN EQUIPMENT THAT IS, OR WILL SOON BE, OBSOLETE.

Some figures issued relative to broadcasting stations' equity are based on original investments and don't take into account rapid addition to transmitting and operating equipment: bank loans, mortgages, etc.

The obsolescence factor in broadcast equipment is very high.

Frequent replacement of and additions to very expensive equipment inventories are necessary. (For example, development of transistorized equipment and colour).

It is interesting to note that, in the private sector (Radio and TV), the breakdown of staff functions is:

53% in programming

20% in administration

14% in sales and promotion

12% in technical maintenance

and approximately 1% listed as company directors, most of whom also perform other duties within the industry."

We come now to an estimate of the proposed SRL tariff to be effective January 1, 1971, upon the position of broadcasting stations. Relative to revenues, we are using DBS figures for the period ending August 31, 1969, the latest available.

In the case of privately owned radio broadcasting stations 2.6% applied against \$105,679, 469 amounts to \$2,747,661 yearly.

In the case of privately owned television stations, .5% applied against \$93,931,948 amounts to \$469,659 yearly - a total of \$3,217,320.

Four cents per capita applied against the DBS 1969 population estimate would result in the CBC paying \$842,444 yearly. This represents a total payment by broadcasting stations alone of \$4,059,760 each and every year.

We are not taking into account here payments made by other elements in Canada against whose operation SRL is applying for a tariff.

Attached as Appendix "C" is a letter from DBS indicating specific station impact; and it must be borne in mind that the tariff would be paid by individual stations.

As indicated in Appendix "C" DBS reports that 74 privately owned radio broadcasting stations are already operating at a loss.

Those stations operating at a profit, but whose profits would drop below \$500 annually before taxes if 2.6% of total operating revenue were deducted is 5.

Stations operating at a profit but whose profit would become a loss if 2.6% of total operating revenue were deducted is 22.

We do not know how many stations now operating at a profit would have that profit reduced to \$12,000 a year or less before taxes if 2.6% of total operating revenue were deducted but we suspect the number is substantial.

This is probably the place to note two other important considerations, bearing in mind that broadcasting stations are a chosen instrument of public policy.

In addition to paying all the taxes required of other businesses, privately owned broadcasting stations pay an additional tax referred to as a transmitter licence fee and based upon gross revenue.

When station's gross revenue is \$200,000 or less station pays \$25 plus one per cent of the gross revenue, plus \$25 for each rebroadcasting transmitting station operated by off air pick-up.

Where gross revenue is more than \$200,000 station pays \$2,025 plus one and one half per cent of the amount by which the gross revenue exceeds \$200,000; plus \$25 for each rebroadcasting transmitting station operated by off air pick-up.

All this is happening at a time when the Canadian Radio-Television Commission, in its February 26 announcement said: "The technology of cable television by its capacity to extend the effective range of television signals is gradually altering the broadcasting system. This is happening at a time when increasing demands are being made of free air broadcasters Cable television is completely changing the basic characteristics of broadcast licensing in both Canada and the United States. The extension through cable television of broadcasting reach has introduced or increased competition to some Canadian television stations whose economic existence was marginal even without competition.

"Television stations in Canada's largest cities have survived in spite of this problem, but often with difficulty.

Rapid development of cable television, especially with distant head-ends and broadband techniques, increases competition in larger centres and introduces competition to areas where television broadcasting is already economically difficult - THE DANGER TO THE CANADIAN BROADCASTING SYSTEM IS REAL AND IMMEDIATE."

Other important quotes from the Canadian Radio-Television Commission statement: "At stake is more than a system of national communication, because broadcasting also has the vitally important task of identifying and strengthening cultural entities, regional identities and community loyalties. As the public body charged with the responsibility of maintaining and strengthening the Canadian broadcasting system, the Canadian Radio-Television Commission, in stating the problems of the situation, is convinced that a solution must be found if the Canadian broadcasting system is to survive."

"However, it is the 'fabric of Canada' that we are all concerned with -- the need to unite east and west, but also the need to safeguard, enrich and strengthen the cultural variety of every region, whether it be the Maritimes, Quebec, Ontario or the West. As Northrop Frye said recently, 'The tension between this political sense of unity and the imaginative sense of locality is the essence of whatever the word Canadian means'.

"Thus competition must be balanced by this concern for the national interest which has been emphasized by the national broadcasting policy for over thirty-five years."

"The Canadian broadcasting system was deliberately created with unique characteristics considered vital to our

national needs and purpose. Evolution of the system since 1928 has been marked by recognition of the original concerns. These concerns recognize communications as vital in our determination to maintain a national existence.

"Canada has a limited ratio of population to territory and the larger part of this population is concentrated -- for reasons that vary from economic opportunity to climatic advantage -- along the border shared with the most highly developed and influential country in the world.

"Notwithstanding, Canada is still determined to maintain a national purpose. A Canadian broadcasting system, rooted in this cause, becomes even more vital in a time of scientific and technological developments which tend to blur national boundaries and dilute cultural aspirations.

"There has been unanimity in the statements of those responsible for the Canadian broadcasting system, from the beginning to the present. In 1929 the Aird Report expressed the firm conviction that 'Canadian radio listeners want Canadian broadcasting' and in 1932 the Honorable R. B. Bennett was saying, 'Canadians have the right to a system of broadcasting from Canadian sources equal in all respects to that of any other country'.

"These sentiments have been reaffirmed by Parliamentary Committees and Royal Commissions in the following years. In 1957 the Fowler Report, aware of outside broadcasting influences, placed the matter in the following perspective, 'From all three countries (United States, United Kingdom, France) Canada has derived and we hope will continue to derive, great benefits.

"But it is a healthy thing if we determine to take these outside benefits only on our own terms and insist on weaving them into a Canadian fabric of our own making."

"This was reaffirmed in the Broadcasting Act of 1958 when the Board of Broadcast Governors was established. The Board was held responsible for ensuring the continued existence and efficient operation of a national broadcasting system and 'the provision of a varied and comprehensive broadcasting service of high standard that is basically Canadian in content and character'.

"Again in 1965 the second Fowler Report elaborated: 'The real basis for insisting that our broadcasting service should be 'basically Canadian in content and character' is that Canadians have or should have something to say to each other, and the powerful media of radio and television should be used to say it.' The Fowler Committee noting the facts of our mutual continental existence warned, 'Left to operate freely, economic factors would quickly tend to make Canadian television stations mere extensions of the American networks.'

"And before that, in 1961 the Report of the Royal Commission on Publications had said, 'Communications are the thread which binds together the fibers of a nation'. This report went further in stating, 'The communications of a nation are as vital to its life as its defences, and should receive at least as great a measure of national protection'."

In recent years Canadian broadcasting stations have steadily and consistently been required to increase their domestic content. This is expense enough at the best of times;

it is happening now at a time when advertising expenditures are not keeping pace with the general growth in GNP, retail sales and related indices; and when the fragmentation of audience because of cablevision is making it increasingly difficult for both radio and television broadcasting stations to maintain audience levels sufficient to attract advertisers.

In summary, therefore, the position appears to be this: Should corporations whose sole function is to stamp out mechanical reproductions containing in convenient form a copyright "work" be in a position to assert an ambiguous right never asserted between 1921 and 1967, at the expense of Canadians and this country's telecommunications system; or should we come down on the side of doing everything possible to enable the Canadian telecommunications system to survive; to preserve, strengthen and enrich the Canadian social, cultural and economic fabric?

Bill S-9 favours the latter approach.

The reasoning behind it was supported by the Ilesley Royal Commission. It is supported by the Economic Council of Canada. It is supported by the Parliament of Canada in the Broadcasting Act.

It is our hope that further support will be given this important principle by the enactment into law of Bill S-9.

C
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APPENDIX "A"

A Subsidiary of Ampex International S.A.
100 Skyway Avenue, Rexdale, Ont. Canada.
700 Cremazie Blvd. W., Montreal, Quebec.

AMPEX OF CANADA LTD.

26th March, 1971.

A STATEMENT OF FACT FROM AMPEX OF CANADA LIMITED

Ampex of Canada is a member of the Canadian Record Manufacturers Association. We are also a member of the Canadian Association of Broadcasters.

We are not now and never have been a member of the Sound Recording Licences Limited. Because we are a member of the C.R.M.A. many people have assumed we were in S.R.L. which has resulted in a great deal of controversy. We trust this message will clear up any misunderstanding that exists.

we think we make the best recording equipment you can buy. Our music is excellent, too ... if you would like a further explanation of our associations, please call me.

"J. E. Detlor"

J. E. Detlor
Vice-President & General Manager

APPENDIX "B"

C
O
P
Y

RCA Limited Commercial and Government Systems Division
Ste Anne de Bellevue, Quebec Telex 05-268839 Telephone (514)
453-9000

I. A. Mayson
Vice-President
and General Manager

R C A

Mr. J. Allard
The Canadian Association of Broadcasters
85 Sparks St.
Suite 909
Ottawa 4, Ontario.

Dear Mr. Allard:

April 5, 1971

Further to our telephone conversation of April 2 with regard to RCA Limited's participation in Sound Recording Licences (SRL) Ltd., attached is copy of a letter from Mr. R. F. Cook, Vice President and General Manager, Record Division, RCA Limited, to A.L. Betts, withdrawing RCA's membership from SRL.

Your assistance in advising the members of The Canadian Association of Broadcasters would be appreciated.

Yours very truly,

"Ian Mayson"

I. A. Mayson

Attachment

C
O
P
Y

RCA Limited Record Division 3333 Cavendish Blvd. Montreal 261, Que.
Telephone (514) 482-9912

Robert F. Cook
Vice President and
General Manager

R C A

Mr. A. L. Betts
Executive Director
Sound Recording Licences (SRL) Ltd.
Room 618
57 Bloor Street West
Toronto 189, Ontario

Dear Mr. Betts:

April 2, 1971.

We have reviewed our position in SRL and in view of RCA's long standing relationship with the Canadian broadcasting industry, and for commercial reasons within RCA, we believe it is appropriate at this time for us to withdraw our membership from SRL.

Sincerely,

Robert F. Cook

C
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P
Y

March 22, 1971

Mr. Fraser Jamieson,
London Records of Canada Ltd.,
175 Graveline Street,
St. Laurent, Quebec.

Dear Fraser:

It has come to our attention that your company probably and unwittingly have filed with the Copyright Appeal Board, the statement to the effect that Dominion Records are included in the SRL presentation in connection with the SRL attempt to procure performing tariff.

Dominion Records are, of course, not involved in this presentation and we feel that you might want to set the record straight in your presentation.

Yours truly,

CANADIAN MUSIC SALES CORPORATION LTD.,

T. St. Clair Low.

C
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P
Y

clem saila walt disney music of canada limited

March 22, 1971

Mr. J. Lyman Potts,
Standard Broadcasting,
2 St. Clair Ave. West,
Toronto 195, Ontario.

Dear Mr. Potts:

This letter confirms our recent telephone conversation, during which time, you requested information pertaining to certain Walt Disney Music Company copyrights and similar legal data.

Capitol Records distributes our product in Canada and as such its interest ends there. Capitol has absolutely no rights whatsoever in any of our music properties.

Any and all information dealing with copyrights, as it concerns Walt Disney Music properties, may be acquired by writing directly to:

Mr. James A. Johnson,
President,
Walt Disney Music Company,
800 Sonora Avenue,
Glendale, California 91201,

Sincerely,

"C. Saila"

Vice President,
Walt Disney Music of Canada Ltd.

DOMINION BUREAU OF STATISTICS

BUREAU FEDERAL DE LA STATISTIQUE

Ottawa, Canada

March 25, 1971.

Mr. Norman MacDonald,
 Assistant Director,
 Research and Records,
 The Canadian Association of Broadcasters,
 85 Sparks Street,
 Ottawa 4, Ontario.

Dear Norm:

In response to your request of March 16, I am pleased to present the following information which has been compiled from the individual reports of the privately-owned radio stations, and community antenna television systems for the 1969 reporting year:

329 Privately-owned Radio Stations, 1969

Number of stations operating at a loss.....	74
Number of stations operating at a profit but whose profit would drop below \$500 if 2.6% of total operating revenue were deducted.....	5
Number of stations operating at a profit but whose profit would become a loss if 2.6% of total operating revenue were deducted.....	22
Number of stations operating at a profit and would remain in a profit position if 2.6% of total operating revenue were deducted.....	228

382 Community Antenna Television Systems, 1969

Number of stations operating at a loss.....	119
Number of stations operating at a profit but whose profit would drop below \$500 if 5% of total operating revenue were deducted.....	13
Number of stations operating at a profit but whose profit would become a loss if 5% of total operating revenue were deducted.....	21
Number of stations operating at a profit and would remain in a profit position if 5% of total operating revenue were deducted.....	229
Number of stations operating at a profit but whose profit would drop below \$500 if 10% of total operating revenue were deducted.....	11
Number of stations operating at a profit but whose profit would become a loss if 10% of total operating revenue were deducted.....	30
Number of stations operating at a profit and would remain in a profit position if 10% of total operating revenue were deducted.....	222

It is interesting to note that the combined total of 74 radio stations operating at a loss and 22 radio stations operating at a profit but whose profit would become a loss if 2.6% of total operating revenue were deducted, represents 29.2% of the privately-owned radio stations in operation during 1969.

Please let us know if we can be of further service to you.

Yours very truly,

"Ralph"

J. R. Slattery, Chief,
Public Utilities Section,
Transportation and Public
Utilities Division.

PAGE 1 - SUMMARY OF PAYMENT MADE BY PRIVATELY OWNED BROADCASTING STATIONS TO BMI AND CAPAC

APPENDIX "D"

YEAR	BMI RADIO	BMI TV	BMI TOTAL	CAPAC RADIO	CAPAC TV	CAPAC TOTAL	BMI-CAPAC RADIO TOTAL	BMI-CAPAC TV TOTAL	PRIVATE STATION TOTAL
1952	\$44,248	\$ -	\$ 44,248	\$ 317,139	\$ -	\$ 317,139	\$ 361,387	\$ -	\$ 361,387
1953	46,278	-	46,278	437,500	-	437,500	483,778	-	483,778
1954	55,534	4	55,538	525,000	4	525,004	580,534	8	580,542
1955	55,534	6,000	61,534	647,500	25,000	672,500	703,034	31,000	734,034
1956	98,296	21,600	119,896	682,526	90,000	772,526	780,822	111,600	892,422
1957	98,646	30,000	128,646	682,393	135,000	817,393	781,039	165,000	946,039
1958	100,000	36,000	136,000	830,848	165,000	995,848	930,848	201,000	1,131,848
1959	175,000	54,500	229,500	913,880	250,000	1,163,880	1,088,880	304,500	1,393,380
1960	200,000	65,825	265,825	949,460	301,950	1,251,410	1,149,460	367,775	1,517,235
1961	225,000	132,300	357,300	986,489	540,000	1,526,489	1,211,489	672,300	1,883,789
1962	258,053	200,000	458,053	998,703	618,385	1,617,088	1,256,756	818,385	2,075,141
1963	342,012	200,000	542,012	1,054,552	730,422	1,784,974	1,396,564	930,422	2,326,986
1964	379,290	220,000	599,290	1,169,494	872,505	2,041,999	1,548,784	1,092,505	2,641,289
1965	411,936	240,000	651,936	1,270,137	1,027,722	2,297,859	1,682,073	1,267,722	2,949,795
1966	508,387	381,090	889,477	1,446,949	1,143,270	2,590,219	1,955,336	1,524,360	3,479,696
1967	563,568	432,944	996,512	1,604,025	1,273,364	2,877,389	2,167,593	1,706,308	3,873,901
1968	607,028	460,543	1,067,571	1,727,696	1,328,490	3,056,186	2,334,724	1,789,033	4,123,757
1969	686,916	488,982	1,175,898	1,973,504	1,408,878	3,382,382	2,660,420	1,897,860	4,558,280

PAGE 2 - SUMMARY OF PAYMENTS MADE BY CBC BROADCASTING
STATIONS TO BMI AND CAPAC

APPENDIX "D"

<u>CBC BMI RADIO & TV</u>	<u>CBC CAPAC RADIO & TV</u>	<u>TOTAL CBC TO BMI & CAPAC</u>
32,560	195,360	227,920
31,430	188,580	220,010
27,000	162,000	189,000
27,000	175,000	202,000
30,000	205,000	235,000
39,000	229,000	268,000
40,000	273,000	313,000
56,826	340,960	397,796
63,954	383,724	447,678
70,928	425,568	496,496
85,000	463,906	548,906
85,000	566,715	651,715
100,000	640,735	740,735
100,000	717,429	817,429
130,000	730,000	860,000
225,000	787,000	1,012,000
227,000	798,000	1,025,000
240,000	842,000	1,082,000

YEAR	BMI TOTAL	CAPAC TOTAL	BMI-CAPAC TOTAL	COMBINED CUMULATIVE TOTAL
1952	76,808	512,499	589,307	
1953	77,708	626,080	703,788	1,293,095
1954	82,538	687,004	769,542	2,062,637
1955	88,534	847,500	936,034	2,998,671
1956	149,896	977,526	1,127,422	4,126,093
1957	167,646	1,046,393	1,214,039	5,340,132
1958	176,000	1,268,848	1,444,848	6,784,980
1959	286,326	1,504,840	1,791,166	8,576,146
1960	329,779	1,635,134	1,964,913	10,541,059
1961	428,228	1,952,057	2,380,285	12,921,344
1962	543,053	2,080,994	2,624,047	15,545,391
1963	627,012	2,351,689	2,978,701	18,524,092
1964	699,290	2,682,734	3,382,024	21,906,116
1965	751,936	3,015,288	3,767,224	25,673,340
1966	1,019,477	3,320,219	4,339,696	30,013,036
1967	1,221,512	3,664,389	4,885,901	34,898,937
1968	1,294,571	3,854,186	5,148,757	40,047,694
1969	1,415,898	4,424,382	5,640,280	45,687,974

Best estimate we can make is that somewhere between 75 and 80 percent of this money is exported out of Canada.

APPENDIX "E"

RELATED PERCENTAGE FIGURES:

POPULATION - GNP - RETAIL SALES - RECORD SALES (UNITS) - COPYRIGHT

OVERALL COMPARISONS
1960 - 1969

	<u>PERCENTAGE INCREASE</u>
POPULATION	17.85
GROSS NATIONAL PRODUCT	107.96
CANADA RETAIL SALES	64.33
PHONOGRAPH RECORD SALES (UNITS)	147.61
COPYRIGHT PAYMENTS PRIVATE SECTOR RADIO-TV	200.35
COPYRIGHT PAYMENTS C.B.C.	141.67
COPYRIGHT PAYMENTS PRIVATE SECTOR - C.B.C.	187.04

SOURCE: DOMINION BUREAU OF STATISTICS
CANADIAN ASSOCIATION OF BROADCASTERS

